considering it, attention should be directed to the circumstance that we have so far financed capital expenditure on productive and non-productive schemes amounting to more than Rs four crores, besides advancing Rs 37·59 lakhs for the fourth stage works of the Cochin Harbour and for the purchase of Dredging Plant for that Port. Since most of the capital works already taken up are nearing completion or will be completed by the close of the next year and the final payment of the balance of the loan towards the fourth stage works of the Cochin Harbour is expected to be made next year, we may not have to draw much, if at all, from the Government account balance in future. On the other hand, the Government balance would be increased by Rs 15 lakhs when the mofussil water supply schemes are completed, since one half of the cost of the scheme to be borne by the Municipal Councils is to be treated as a loan to the Councils to be repaid in annual instalments at 4½ per cent. interest per annum.

WAYS AND MEANS.

44. With a view to finance our capital schemes in progress, both productive and non-productive, it was proposed this time last year, to withdraw Rs 25·44 lakhs from our surplus investments. But as the progress of expenditure did not go up to the anticipated level, it was found necessary to withdraw only Rs 5 lakhs during the year. Our working balance in the Treasuries and the Imperial Bank is expected to amount to Rs 45·92 lakhs at the close of the current year. During the next year we have to finance productive and non-productive capital expenditure to the extent of Rs 54·25 lakhs. The Government account is expected to bring in Rs 5·20 lakhs and the Debt Head and Fund transactions are expected to result in an incoming of Rs 19·32 lakhs. It may become necessary to provide funds to the extent of Rs 25 lakhs. Since these funds are not immediately required, it is proposed to provide them according to the progress of the works from our surplus investments as a temporary measure. It is therefore proposed to withdraw next year Rs 25 lakhs from our surplus investments to maintain sufficient working balance.

THE PAST DECADE—A RETROSPECT.

45. I have thus far attempted in as brief a manner as possible to picture to the House the financial condition of the State in the years 1113, 1114 and 1115. The actuals of 1113 are satisfactory; the revised figures for the current year are hopeful and the anticipations for the coming year are re-assuring. Yet, I am constrained to seek your indulgence Sir, for a few moments more so that I may present to you as succinctly as possible the financial position of the State during the past decade. Such a retrospect has become imperatively necessary to remove the misapprehensions and misconceptions in the public mind which constitute the inevitable sequence to the irresponsible and tendentious utterances and writings, both here and abroad, of persons who should know better. These, otherwise amiable people, have been reckless in their denunciation of the financial policy of the State and

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